GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5886
ANSWERED ON:31.08.2001
INCOME TAX ON UTI
DAHYA BHAI V. PATEL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that income tax department has sent a notice to UTI demanding Rs. 1,100 crore as income tax arrears;

(b) if so, the details thereof; and

(c) the likely impact of this decision on unit-holders and future business of UTI ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

a) The Income Tax department had initiated proceedings under Section 10(a) of the Interest Tax Act, 1974 against Unit Trust of India.

b) The notices for Assessment years 1992-93 to 1999-2000 under Section 10(a) of the Interest Tax Act issued by the Income Tax department were contested by Unit Trust of India and a Writ petition was filed before the Hon`ble Mumbai High Court. The Hon`ble High Court in its order dated 19/4/2001 has quashed the notices issued.

c) In view of the facts mentioned in part (b) above, there is no likely impact on the Unit holders/UTI - at present.